Stanway Halcombe Rural Water Scheme (SHRWS)

Overview

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History And Update

In 1983 the then Oroua County Council held several public meetings in the Halcombe Hall to ascertain community interest in installing a community water scheme to supply stock water and drinking water to the village. Advice of these meetings was by notification in the newspaper.

There was government funding available on a dollar for dollar subsidy basis and there was no cap on the funds available, however a scheme boundary had to be established and locked in and had to be hydraulically capable of delivering water in the future to all properties within the boundary, regardless of whether at that time they had committed to connect.

The participants were in effect paying for the scheme infrastructure and a condition of the grant was that it was to be then handed over to the council as their asset and they would be responsible for ownership, maintenance and collection of the water rates. This was the last subsidised water scheme funded by Central Government and the opportunity would have disappeared.

The council advised that they had limited resources and that this needed to be a community led initiative, with the council providing support to cover the following functions:

- Loan application;
- Pipeline and infrastructure design;
- Tendering process for installation and components;
- Receipt of funds and management to suppliers of goods and services.

There was a community committee established made up of:

1. Bill Abbiss
2. Graeme Barnett
3. Mike Banner
4. Brian Anderson
5. John Anderson
6. Errol Crane

The total cost of the scheme was calculated, with a scheme proposal prepared allowing for the geography, bore placement etc. As with all schemes there are pumps, tanks, main pipelines and the lateral lines to deliver the water.

All of the committee was either a farmer or residential property owners and whilst there was interest from the public meetings, there was insufficient numbers willing to commit by paying the capital costs to pay the half share required.

The committee decided to visit every dwelling occupier/farmer within the proposed scheme boundary and the members did this. Naturally as local farmers these members had land that they wished to connect to the scheme, but required a minimum number of participants on each lateral line to pay not only the costs of the pipeline but to contribute costs for the main infrastructure.

As an example, the Barnett family owned two properties: the first was in Tokorangi Rd and there was sufficient uptake to connect this property. The second property was 5.6kms up Reu Reu Rd, but due to lack of uptake no pipeline could be installed.

There were other examples of willing property owners to participate in the community scheme but could not get neighbor support in part of Prices Line, towards Hawkestone. As the scheme was designed to cover the boundary as defined by the grant and money was extremely tight, the pipe size limit has reduced the opportunities for properties outside of the boundary to connect to the scheme.

The committee members put in hundreds of hours and it would have been difficult to advise people as to the capital costs, when the size of the scheme was unknown, as was the number of participants.

They also needed to secure support from the community to allow the water infrastructure and pipelines through or on their properties, often with considerable disruption, for no financial gain then or now.

These consents were given and only needed one party to refuse and would have required a redesign and more costs.

Fortunately, there existed a culture of community good and that the local marae, community halls, sports facilities, schools etc. would benefit, but still had to pay their capital and annual operational costs.

As with all council owned assets there is a user pays model, which is the total annual costs made up of administration, repair/operational, electricity divided by the number of units (1,000 litres per day delivered via a restrictor on each tank).

The scheme size having been established and the grant money secured the willing participants had to pay their share, having previously paid a deposit.

An argument exists that is valid that these participants who actually paid their share subsidised subsequent properties that chose to connect at a later date.

The scheme plan was to put down a bore close to the end of Makino Rd, in the Rangitikei River. This was completed and the water tested for quality and was regrettably found to be not fit for human consumption.

Another bore was drilled and water quality is some of the best in the region. The scheme design change was made, but added another $8,000 to the costs including an extra bore, with no money to cover this.

The contractor appointed, with a hard core of community people, put in what was hundreds of hours of labour and assisted with installing and unloading truckloads of pipe and laying out the pipe by hand to cut costs.

A water scheme committee was formed and the scheme commission in 1986. Since then there have been a few new connections.

In 2014 there were major outages and supply issues due to pipeline failure that continued into 2015 and conflict developed between the community and the Manawatu District Council (Oroua County Council had merged into MDC), not helped by what was confusion between the roll of the MDC and the water scheme committee, who had not met with the council for 9 years. Behavior of some of the community was less than ideal with the illegal removal of water restrictors, with alleged water theft making the TV1 news.

In early 2015 a group of concerned participants met and formed a working group to address the issues and attempt to engage with the MDC. The management of MDC worked with working group and prepared a new constitution including a proposed committee structure.

A Special General Meeting and an Annual General Meeting were held, the constitution adopted which captured the intent of the original community water scheme, for the good of all of the community and as a result a new committee was elected. This was made up of 6 committee members from rural, 2 from the village, with there being a chairman and vice chairman. The main change was that with MDC agreement a committee person was pointed to liaise with the MDC.

At this meeting it was agreed that whilst there was fault, we would move forward and work constructively with MDC.

At this time the SHRWS which has its own set of accounts, had reserves of $480,000, but a failing water scheme.

After the restructure of the SHRWS committee in 2015, appointment of a scheme liaison and with an agreed re-set with MDC management we all set about fixing the issues with the view to future proofing the scheme as best we could with the restrictions we face around design.

It was apparent that we could not identify where we had a leak, so huge resources were wasted trying to find it by paid MDC staff (costs added to annual charges) or volunteer labour.

The main cause of the supply issues in 2014/2015 was the main feed pipeline from the bore up to and crossing Prices Line. The pipeline needed replacing and the committee was trying to understand how the council managed and allocated the use of the depreciation account and the difference of how the water scheme reserve fund worked.

The structure of the annual water charges had changed as due to a law change, all council assets had to have what is a depreciation requirement, which is an annual charge on each unit of water in this case, so the asset can be replaced when it has reached end of life or worn out plant etc. This depreciation is calculated by taking the replacement value of the asset (reviewed annually), divided by the number of years of life, divided by the number of users.

Example

Asset	$5,000,000
Asset life	80 years

No of users	1,406
Annual depreciation cost	$44.45

The replacement pipeline could be replaced from the depreciation fund, without causing a rate increase, however we wanted to future proof the pipeline by increasing the size of the pipe. To increase by 40% cost $40,000 as the scheme had to pay for the costs to upsize, funded from reserves, which was completed. At the same time the scheme paid for a fire hydrant to be installed as part of this pipeline, which benefits the whole community, whether or not they are on the water scheme.

To improve tracking of leaks, flow meters and telemetry were placed on the pipeline in strategic places to monitor usage, so if increased, alerts can be sent to notify MDC.

The scheme is alerted if the Fire Service fills the engine.

MDC has a rolling 3-year plan, so yearly the plan is updated after consultation with MDC as to what needs replacing and what the committee would like done on the scheme. The scheme being a council asset needs to operate under the MDC rules/financial requirements.

The committee and the MDC are focused on improving the reliability, managing the risk and providing for the future growth.

An example of the benefit of community input has happened because of the new drinking water standards. MDC explored bringing treated water from Feilding, which would have been a major village ratepayer cost paying for the pipeline, but also covering the depreciation. Additional cost is that every household would have to pay for a new hot water cylinder. During the consultation having sufficient water for the Fire Service was a driver and we understood that we needed bulk water accessed quickly. The scheme assists Halcombe School to be able to fill with fresh water each year, so the logical outcome is to be able to suck water from The Halcombe School pool, if needed for a fire: win/win.

Bringing water from the Ohakea bore was also explored but once again the annual charges to the village would be very high, far greater than the extra $58 per unit.

Equipment for treating water so that it has no taste or odour to meet the new drinking water standard is $1.3 million for the treatment station and the council has done an excellent job of securing a government grant which then leaves the scheme the costs of depreciation and operating costs. The committee looked at all the options including having the rural part of the scheme separate. The reality is we all drink water and of the 1,400 units 300 approximately are in the village. Take the 300 units from the village and the costs must be paid by the remaining 1,100, which was more than the extra $58 per unit per annum.

As part of a risk assessment which we undertook after looking at the flow data in the reservoir, plus what we knew after we had a GPS map of the scheme completed it was identified that the main reservoir in peak summer demand has only 7 hours storage.

The main pipeline from the booster to fill the main reservoir passes north of the village, across two flood-prone creeks and then up to the reservoir. On the way water is drawn off and we lose water

flow pumping through the pipes. If there is a break anywhere along the pipeline the reservoir will empty and some users will lose water supply and in peak summer demand the reservoir level may not recover.

The committee identified the risk and requested that a new pipeline be installed along Makino Road from where the pipeline branches down towards the village connecting to the pipeline where it connects across Makino Road.

MDC supported this and will be installed before summer 2023. It was identified that an extra $60,000 approximately could be saved if the pipeline was installed on farmland rather than on the roadside due to compliance savings and traffic management costs. The four families involved agreed without hesitation, agreeing to title easements guaranteeing perpetuity access, dealing with disruption and short-term land damage until restored without requiring any form of payment.

This will create a ring main so if the village pipeline is disrupted, we can supply from both ends and also fill the reservoir quicker. There will be savings on electricity costs plus there will likely be additional water units available in the village. Regrettably the pipe is too small to take additional water towards Mount Biggs.

Other projects completed since 2015:

1. Main pipeline from Prices Line replaced Tokorangi Marae to improve flow, funded from reserves;
2. Variable speed drives installed at main bore to increase flow;
3. Various parts of pipeline replaced funded from depreciation, upsized funded from reserves.

The committee does have input on new connections and works on behalf of the community to achieve these if possible. Council has agreed that if there are enough users prepared to pay the costs of a new pipeline that the capital cost contribution can be applied to the installation costs but must cover all of these. The addition of new users will reduce the annual costs for everyone.

The committee has input on setting the annual rate and is committed to keeping this as low as possible, whilst maintaining scheme functionality.

Community good has a cost for us all, some more than others and although owned by MDC is your community scheme.

Colin McFadzean

Deputy Chairman and MDC Liaison

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